

**Bay Area Toll Authority
Oversight Committee**

December 14, 2022

Agenda Item 4b

**Bay Area Toll Authority (BATA) Resolution No. 163. Delegation of Authority Regarding
Settlement of Claims and Lawsuits and Contracts for Legal Services****Subject:**

A request that the BATA Oversight Committee approve the referral of BATA Resolution No. 163 to the Authority for approval, authorizing: 1) the General Counsel or designee to allow, compromise, or settle claims and actions against the local public entity and execute any resulting agreement, provided the amount to be paid pursuant to the agreement to accept, compromise or settle does not exceed fifty thousand dollars (\$50,000); 2) the Chief Financial Officer or designee to make payment on said allowance, compromise or settlement, upon request by the General Counsel or designee; 3) the General Counsel or designee to negotiate and execute agreements for legal services in an amount not to exceed the General Counsel's delegated authority as set forth in Metropolitan Transportation Commission Resolution No. 4546; and 4) directs the General Counsel to report to the BATA Oversight Committee any action taken under the authority of the proposed resolution.

Background:

Government Code section 935.4 authorizes a public entity to authorize an employee to allow, compromise, or settle a claim against the local public entity if the amount to be paid pursuant to the acceptance, compromise or settlement does not exceed fifty thousand dollars (\$50,000). Government Code section 949 allows a public entity to delegate the authority to settle a legal action. Upon written order from the authorized employee, the fiscal officer is to pay the amount as required by the allowance, compromise or settlement of the claim or action. Claims or actions above fifty thousand dollars (\$50,000) require action by the Authority to allow, settle, or compromise the claim. The best practice is to have a separate resolution governing settlement and payment of claims and actions. Since the Office of General Counsel oversees and manages claims and actions, staff recommends delegating such authority to the General Counsel. The Chief Financial Officer should be authorized to make payment on any settlement agreement that does not exceed fifty thousand dollars (\$50,000) upon request by the General Counsel. Finally, staff recommends authorizing the General Counsel to execute legal service agreements in an amount not to exceed the Executive Director's authority for executing contracts, which is currently two hundred thousand dollars (\$200,000) as set forth in BATA Resolution No. 46, and in an amount not to exceed the General Counsel's authority for executing legal service contracts

as set forth in Metropolitan Transportation Commission Resolution No. 4546, which is also two hundred thousand dollars (\$200,000). Outside legal counsel serves as an extension of the Office of General Counsel, and to ensure no inadvertent waiver of the attorney work product doctrine, the General Counsel should retain outside legal services. The General Counsel will report to the BATA Oversight Committee on a quarterly basis any action taken under the proposed resolution. For any contracts or amendments that would exceed the delegated authority, the General Counsel will seek authority from the BATA Oversight Committee prior to executing the contract or amendment.

Issues:

None identified.

Recommendations:

Staff recommends that the BATA Oversight Committee approve the referral of BATA Resolution No. 163 to the Authority for approval authorizing: 1) the General Counsel or designee to allow, compromise, or settle claims and actions against the local public entity and execute any resulting agreement, provided the amount to be paid pursuant to the agreement to accept, compromise or settle does not exceed fifty thousand dollars (\$50,000); 2) the Chief Financial Officer or designee to make payment on said allowance, compromise or settlement, and 3) the General Counsel or designee to negotiate and execute agreements for legal services in an amount to exceed the General Counsel's delegated authority as set forth in Metropolitan Transportation Commission Resolution No. 4546; and 4) directs the General Counsel to report any action taken under the authority of the proposed resolution to the BATA Oversight Committee.

Attachments:

- Attachment A: Bay Area Toll Authority Resolution No. 163



Therese W. McMillan

Date: December 21, 2022
Referred By: BATA Oversight

ABSTRACT

Resolution No. 163

This resolution authorizes the General Counsel or designee to reject, allow, compromise, or settle claims and actions against the Bay Area Toll Authority (BATA) and execute any resulting agreement, provided the amount to be paid pursuant to the agreement to allow, compromise or settle does not exceed fifty thousand dollars (\$50,000); authorizes the Chief Financial Officer or designee to make payment on said allowance, compromise or settlement, upon request by the General Counsel or designee; and authorizes the General Counsel or designee to negotiate and execute agreements for legal services in an amount not to exceed the General Counsel's authority as set forth in Metropolitan Transportation Commission Resolution No. 4546. Any actions taken by the General Counsel under the authority of this Resolution shall be reported to the BATA Oversight Committee on a quarterly basis.

Further discussion of this subject is contained in the BATA Oversight Committee Summary Sheet dated December 14, 2022.

Date: December 21, 2022
Referred By: BATA Oversight

RE: Rejection, Allowance, Compromise or Settlement of Claims and Actions And Delegated Authority For Contracting for Legal Services

BAY AREA TOLL AUTHORITY
RESOLUTION NO. 163

WHEREAS, pursuant to Government Code section 935.4, the Bay Area Toll Authority (BATA) may authorize an employee to allow, compromise, or settle a claim against the local public entity if the amount to be paid pursuant to the acceptance, compromise or settlement does not exceed fifty thousand dollars (\$50,000); and

WHEREAS, pursuant to Government Code section 935.4, the Chief Financial Officer may make payment in the amount for which a claim has been allowed, compromised, or settled upon request by the authorized employee; and

WHEREAS, pursuant to Government Code section 949, BATA may delegate authority to the General Counsel to settle pending actions; and

WHEREAS, to ensure no inadvertent waiver of confidential materials protected by the attorney work product doctrine, BATA desires the General Counsel to retain outside legal counsel services; and

WHEREAS, the Metropolitan Transportation Commission adopted MTC Resolution No. 4546 on October 26, 2022 to authorize the General Counsel or designee to reject, allow, compromise, or settle claims and actions against MTC and execute any resulting agreement, provided the amount to be paid pursuant to the agreement to allow, compromise or settle does not exceed fifty thousand dollars (\$50,000); authorize the Chief Financial Officer or designee to make payment on said allowance, compromise or settlement, upon request by the General Counsel or designee; and authorize the General Counsel or designee to negotiate and execute agreements for legal services in an amount not to exceed the Executive Director's authority as set forth in MTC Resolution No. 3619; and

WHEREAS, BATA desires to increase efficiency in the management and disposition of claims and litigation; and

NOW, THEREFORE, BE IT RESOLVED, that BATA authorizes the General Counsel or designee to reject, allow, compromise, or settle claims and actions against the local public entity and to negotiate and execute any resulting agreement, provided the amount to be paid pursuant to the agreement to allow, compromise or settle does not exceed fifty thousand dollars (\$50,000); and be it further

RESOLVED, that the Chief Financial Officer or designee is authorized to make payment on said allowance, compromise or settlement, upon request by the General Counsel or designee; and be it further

RESOLVED, that the General Counsel or designee is authorized to negotiate and execute agreements for legal services and related purchase orders, in an amount not to exceed the General Counsel's authority as set forth in MTC Resolution No. 4546 as it exists or may be amended or revised, that the General Counsel shall seek authority from the BATA Oversight Committee prior to executing any agreements or amendments for legal services that exceed the authority granted by this Resolution, and that this Resolution shall supersede any resolutions or other policies and procedures that conflict with this authority; and

RESOLVED, that any action taken by the General Counsel or designee shall be reported to the BATA Oversight Committee on a quarterly basis.

BAY AREA TOLL AUTHORITY

Alfredo Pedroza, Chair

The above resolution was entered into by
The Bay Area Toll Authority at a duly called
and noticed meeting held in San Francisco,
California and at other remote locations,
on December 21, 2022.